



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah Department of Commerce

Division of Securities

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

WAYNE KLEIN
Director of Securities

NEWS RELEASE

January 2, 2008

Coin Investment Promoters Charged with Criminal Securities Fraud

Company owners accused of taking over \$700,000 in coin investment scheme . . .

SALT LAKE CITY, Utah – Jeffrey R. Buhman, Utah County Attorney, today filed felony criminal charges against the owners of Orem-based Coin Trade Center (CTC) for running an illegal investment scheme involving rare coins, precious metals, collectibles, and jewelry. Howard L. Gurney and his wife, Toni D. Gurney, are charged with 21 counts of securities fraud, four counts of theft by deception, and one count of selling securities by an unlicensed person.

The Gurneys and CTC offered programs in which investors were told they could earn 20% profit if their precious metals were left in the program for a year or more or 10% annualized profit for precious metals given to CTC for investment for less than a year. Investors who permitted the Gurneys and CTC to buy, sell, and trade coins bought by the investors, were told they could make more than 50% profit. Investors only had to provide their coins for the Gurneys to use to make a profit. As many as 293 investors may have invested in one of these programs or deposited with CTC for safekeeping.

Investors were told it was a safe investment and that the company had insurance that protected the investment against loss. In reality, the only insurance were term life insurance policies on Howard and Toni Gurney, which did not insure the investments. Investors were also told the investment had no risk because the coins and money remained in CTC's inventory and were always available as security for the investment. Investors were told that fluctuations in the prices for precious metals would not affect their investments because the investment profits would be paid in additional precious metals. Customers who stored their coins with CTC were not told that the company was experiencing financial difficulties.

In 2005, CTC notified investors that it was unable to repay them and the business closed. The Division of Securities assisted the Utah County Attorney's Office in the investigation of this matter.

Note: Defendants are presumed innocent until proven guilty at trial or after entry of a guilty plea.